

Message Text

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ACTION EB-07

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FM AMEMBASSY BERN

TO SECSTATE WASHDC 299

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EXCON FOR COMMERCE

E.O. 11652: N/A

TAGS: ESTC SZ

SUBJECT: F. HOFFMAN-LA ROCHE/UNION CARBIDE CORPORATION LICENSING
DIFFICULTIES

1. EMBASSY HAS BEEN APPROACHED BY REPRESENTATIVES OF F. HOFFMAN-LA ROCHE (LAROCHE) OF BASEL FOR ASSISTANCE IN RESOLVING LICENSING PROBLEMS CONCERNING THE REEXPORT OF CENTRIFUGAL SYSTEMS (ANALYZER COMPUTER, PIPETTOR, PROCESSORS) PRODUCED BY UNION CARBIDE CORPORATION OF NEW YORK. LA ROCHE IS UNDER CONTRACT TO UNION CARBIDE AS SOLE DISTRIBUTOR FOR WESTERN EUROPE. CONTRACT, WHICH WAS REVIEWED BY EDO, SPECIFICALLY EXCLUDES REEXPORT BY LA ROCHE OF UNION CARBIDE SYSTEMS TO SOCIALIST COUNTRIES OF ASIA AND EASTERN EUROPE. UNION CARBIDE SYSTEMS ARE USED IN CONNECTION WITH CLINICAL CHEMISTRY IN HOSPITALS AND PRIVATE MEDICAL LABORATORIES.

2. LA ROCHE'S REEXPORT PROBLEMS INVOLVE EXCON REQUIREMENT FOR SWISS BLUE CERTIFICATE IN SUPPORT OF UNION CARBIDE APPLICATIONS FOR VALIDATED LICENSES. ALMOST ALL UNION CARBIDE SYSTEMS ARE INCORPORATED INTO CLINICAL ANALYSES UNITS AT LA ROCHE AND REEXPORTED TO WESTERN EUROPE. SWISS AUTHORITIES AWARE THAT BULK OF IMPORTS, WHICH UNDER AGREEMENT SWISS CUSTOMS
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AUTHORITIES DO NOT ACTUALLY CLEAR CUSTOMS, ARE TO BE

REEXPORTED, AND THEREFORE WILL NOT ISSUE SWISS BLUES.

3. DR. FREEMAN OF UNION CARBIDE CONTACTED EMBASSY IN CONNECTION LA ROCHE PROBLEM. HE ADVISED EDO THAT RECENT DISCUSSIONS BETWEEN EXCON AND UNION CARBIDE APPARENTLY RESULTED IN DETERMINATION THAT UNION CARBIDE/LA ROCHE CONTRACT DID NOT MEET REQUIREMENTS FOR GRANTING DISTRIBUTORS LICENSE TO LA ROCHE, AN ARRANGEMENT WHICH WOULD HAVE OBIATED NEEDFOR SWISS BLUE.

4. EMBASSY COMMENT: FOREGOING APPEARS TO BE ANOTHER TYPICALLY SWISS REEXPORT PROBLEM. UNION CARBIDE APPARENTLY UNABLE SECURE EXPORT LICENSE FOR EXPORTS TO LA ROCHE WITHOUT SUPPORTING SWISS BLUE. SWISS WILL NOT ISSUE SWISS BLUE BECAUSE LA ROCHE HAS ALREADY STATED ITS INTENTION TO REEXPORT. PROBLEM FURTHER COMPOUNDED BY APPARENT FACT LA ROCHE DOES NOT QUALIFY FOR SPECIAL DISTRIBUTOR'S LICENSE. EMBASSY RECOMMENDS THAT LA ROCHE BE GRANTED WAIVER ON SWISS BLUE REQUIREMENT IN ITS DEALINGS WITH UNION CARBIDE CONCERNING REEXPORTS TO EXCON APPROVED DESTINATIONS. OFFICIALS OF LA ROCHE AND UNION CARBIDE PLAN CONTACT EXCON MID MARCH TO DISCUSS THEIR PROBLEMS. EMBASSY WOULD APPRECIATE BEING ADVISED OF OUTCOME YOUR DISCUSSIONS.
DAVIS

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